

EXHIBIT C

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO SECTION 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of February 2022

Commission File Number: 001-41072

Iris Energy Limited

(Translation of registrant's name into English)

**Level 21, 60 Margaret Street
Sydney, NSW 2000 Australia
+61 2 7906 8301**

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

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EXPLANATORY NOTE

On February 9, 2022, Iris Energy Limited (the “Company”) released information regarding its financial results for the quarter ended December 31, 2021 and six months ended December 31, 2021. Copies of the Company’s press release, management presentation and unaudited interim consolidated financial statements are furnished hereto as Exhibits 99.1, 99.2 and 99.3, respectively.

EXHIBIT INDEX

**Exhibit
No.**

Description

<u>99.1</u>	Press Release of Iris Energy Limited, dated February 9, 2022
<u>99.2</u>	Management Presentation, dated February 9, 2022
<u>99.3</u>	Unaudited Interim Consolidated Financial Statements for the Three and Six Months ended December 31, 2021

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Iris Energy Limited

Date: February 9, 2022

By: /s/ Daniel Roberts

Daniel Roberts

Co-Chief Executive Officer and Director

Iris Energy Reports Second Quarter Record Results

Key Highlights

- Record revenue of \$20.0 million (A\$27.6 million) for the quarter (+93% vs. Q1 FY22) and \$30.4 million (A\$41.9 million) for the half (+1,352% vs. 1H FY21)
- Record Adjusted EBITDA of \$14.3 million (A\$19.7 million) for the quarter (+156% vs. Q1 FY22) and \$19.9 million (A\$27.5 million) for the half (vs. -\$0.7 million (-A\$0.9 million) in 1H FY21)
- Record Adjusted EBITDA Margin of 72% for the quarter (vs. 54% in Q1 FY22) and 66% for the half (vs. -33% in 1H FY21)
- Net Profit After Tax of \$71.7 million (A\$98.8 million) for the quarter and Net Loss After Tax of \$418.9 million (A\$580.0 million) for the half (attributable to a one-off non-cash mark-to-market of convertible notes converted into equity at IPO)
- Record average operating hashrate of 685 PH/s (+97% vs. Q1 FY22) and 364 Bitcoin mined (+51% vs. Q1 FY22) for the quarter from 100% renewable operations since inception¹
- Successfully completed \$232 million IPO and listing on Nasdaq led by J.P. Morgan, Canaccord Genuity and Citigroup
- Construction ahead of schedule at Mackenzie (BC, Canada) with commissioning of the first 0.3 EH/s (9MW) now expected in early Q2 2022 followed by full ramp up to 1.5 EH/s (50MW) expected during Q3 2022
- Prince George (BC, Canada) on track to deliver 1.4 EH/s (50MW) in Q3 2022 and expansion to 2.4 EH/s (85MW) anticipated in 2023
- Post quarter end, a transformational 600MW connection agreement was executed with AEP Texas, increasing power capacity to 765MW (~22 EH/s²)

SYDNEY, AUSTRALIA (February 9, 2022) – Iris Energy Limited (NASDAQ: IREN) (“Iris Energy” or “the Company”), a leading sustainable Bitcoin miner with 15 EH/s of secured miners, today reported its financial results for the quarter and half-year ended December 31, 2021. All \$ amounts are in United States Dollars (“USD”) and all A\$ amounts are in Australian Dollars (“AUD”), unless otherwise stated.

“We are pleased to report record financial and operating results as part of our inaugural quarterly and half-yearly report as a listed company,” stated Daniel Roberts, Co-Chief Executive Officer and Founder of Iris Energy. “Iris Energy is on track to be one of the largest listed Bitcoin miners with 15 EH/s³ of hardware secured (~10 EH/s expected to be operational by early 2023) and 765MW of grid-connected power operating or under construction. Led by a seasoned management team, we are building a global energy and specialized data center infrastructure platform targeting markets with excess and under-utilized renewables where we can solve a problem. We are looking forward to the upcoming 12 to 18 months, which we expect will be transformational for the Company.”

¹ Currently 98% directly from renewable energy sources; 2% from purchase of RECs.

² Equivalent hashrate potential for the power capacity assuming installation of Bitmain S19j Pro miners.

³ In addition to 0.8 EH/s currently operating, 14.4 EH/s of aggregate nameplate hashrate capacity has been secured through binding contracts for future delivery of miners.

Iris Energy's President, Lindsay Ward, commented, "Construction at Mackenzie and Prince George, our two near-term expansion sites in British Columbia, continues to progress and remains on track to deliver material additional hashrate over the coming quarters. In addition, development works continue across our secured sites in Canada, the USA and Asia-Pacific, which are expected to support >1GW of additional aggregate power capacity capable of powering growth well beyond the Company's 15 EH/s³ of secured miners (~530MW)."

Second Quarter FY2022 Results

Iris Energy generated record quarterly revenue (\$20.0 million vs. \$10.4 million during the previous quarter), Adjusted EBITDA (\$14.3 million vs. \$5.6 million during the previous quarter) and Adjusted EBITDA Margin (72% vs. 54% during the previous quarter). The increase in revenue, Adjusted EBITDA and Adjusted EBITDA Margin were attributable to a higher average Bitcoin price during the period as well as an increase in the Company's average operating hashrate.

Net Profit After Tax for the quarter was \$71.7 million (A\$98.8 million), compared to a Net Loss After Tax of \$418.9 million (A\$580.0 million) during the previous quarter, which is primarily attributable to a one-off non-cash mark-to-market of convertible notes converted into equity at IPO.

Iris Energy continued to generate positive cash flow from operations during the quarter, demonstrating the attractive cash profitability of the Company's business model and supporting reinvestment into mining hardware and infrastructure, and its total assets increased to \$495.2 million (A\$682.1 million) as of December 31, 2021.

Operational and Corporate Highlights

- Record average operating hashrate of 685 PH/s (vs. 348 PH/s during the previous quarter) driven by the expansion at Canal Flats (BC, Canada)
 - Record 364 Bitcoin mined (vs. 241 during the previous quarter)
 - \$232 million IPO completed and listed on the Nasdaq Global Select Market
 - Welcomed Lindsay Ward as President and Mike Alfred as Non-Executive Director
 - Canal Flats (BC, Canada) successfully maintained operations despite -30°C (-22°F) conditions (having also operated successfully through 40°C (104°F) heat in June 2021), again demonstrating the versatility of the Company's proprietary specialized data center design
 - First data center building at Mackenzie (BC, Canada) structurally complete. The first 0.3 EH/s (9MW) is ahead of schedule with commissioning now expected in early Q2 2022 followed by full ramp up to 1.5 EH/s (50MW) expected during Q3 2022
 - Procurement of long-lead items for Prince George (BC, Canada) essentially complete. The first 1.4 EH/s (50MW) remains on track to be energized by the end of Q3 2022 with the additional 1.0 EH/s (35MW) anticipated to come online in 2023
 - Substantial progress made on prospective large-scale project sites in Texas including the post quarter end announcement of the execution of a transformational 600MW connection agreement with AEP Texas, increasing power capacity to 765MW (~22 EH/s²)
 - Development works continued across a number of additional secured sites in Canada, the USA and Asia-Pacific, expected to support >1GW of additional aggregate power capacity capable of powering growth well beyond the Company's 15 EH/s³ of secured miners (~530MW)
-

Earnings Conference Call

Iris Energy will host a conference call to discuss its results at 5.00pm (Eastern Standard Time) on Wednesday, February 9, 2022.

Participants are asked to pre-register for the call through the following link:

<https://onlinexperiences.com/Launch/QReg/ShowUUID=E10CC11D-07CB-4540-BCA9-2D83B2534F96>.

Please note that registered participants will receive their dial in number upon registration and will dial directly into the call without delay. Those without Internet access or unable to pre-register may dial in by calling: 1-866-668-0721 (U.S. toll free) or 1300-309-051 (Australian toll free). All callers should dial in approximately 10 minutes prior to the scheduled start time.

Forward-Looking Statements

This press release includes “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Iris Energy’s future financial or operating performance. For example, forward-looking statements include but are not limited to the expected increase in the Company’s power capacity and the Company’s business plan. In some cases, you can identify forward-looking statements by terminology such as “anticipate,” “believe,” “may,” “can,” “should,” “could,” “might,” “plan,” “possible,” “project,” “strive,” “budget,” “forecast,” “expect,” “intend,” “will,” “estimate,” “predict,” “potential,” “continue,” “scheduled” or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements. In addition, any statements or information that refer to expectations, beliefs, plans, projections, objectives, performance or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking.

These forward-looking statements are based on management’s current expectations and beliefs. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause Iris Energy’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to: Iris Energy’s limited operating history with operating losses; electricity outage, limitation of electricity supply or increase in electricity costs; long term outage or limitation of the internet connection at Iris Energy’s sites; Iris Energy’s evolving business model and strategy; Iris Energy’s ability to successfully manage its growth; Iris Energy’s ability to raise additional capital; competition; bitcoin prices; risks related to health pandemics including those of COVID-19; changes in regulation of digital assets; and other important factors discussed under the caption “Risk Factors” in Iris Energy’s final prospectus filed pursuant to Rule 424(b)(4) with the SEC on November 18, 2021, as such factors may be updated from time to time in its other filings with the SEC, accessible on the SEC’s website at www.sec.gov and the Investors Relations section of Iris Energy’s website at <https://investors.irisenergy.co>.

These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any forward-looking statement that Iris Energy makes in this press release speaks only as of the date of such statement. Except as required by law, Iris Energy disclaims any obligation to update or revise, or to publicly announce any update or revision to, any of the forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS Financial Measures

This press release includes non-IFRS financial measures, including Adjusted EBITDA and Adjusted EBITDA Margin. See table below for a definition of Adjusted EBITDA and Adjusted EBITDA Margin, along with a reconciliation to net profit/(loss) after income tax expense, the nearest applicable IFRS measure, for the periods presented. Adjusted EBITDA and Adjusted EBITDA Margin are presented in addition to, and not as a substitute for, measures of financial performance prepared in accordance with IFRS. There are a number of limitations related to the use of Adjusted EBITDA and Adjusted EBITDA Margin. For example, other companies, including companies in our industry, may calculate Adjusted EBITDA and Adjusted EBITDA Margin differently. The Company believes that these measures are important and supplement discussions and analysis of its results of operations and enhances an understanding of its operating performance.

Financial information included in this press release is denominated in USD and references to “\$” are to USD unless otherwise stated. References to “A\$” are to Australian Dollars unless otherwise stated.

Operating and Financial Overview

The Group uses EBITDA and Adjusted EBITDA as a metric that is useful for assessing its operating performance before the impact of non-cash and other items.

EBITDA is net profit or (loss) from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization.

Adjusted EBITDA is EBITDA adjusted for removing certain non-cash and other items, including share-based payment expenses, foreign currency gains/(losses) and one-time transactions. The below table reconciles (Adjusted) EBITDA to Net profit/(loss) after tax.

Adjusted EBITDA Reconciliation	Three months ended	Six months ended
	31 December	31 December
	2021	2021
	USD'000	USD'000
Bitcoin mining revenue	20,017	30,387
Electricity and other site costs ⁽¹⁾	(3,041)	(4,976)
Other corporate costs	(2,643)	(5,490)
Adjusted EBITDA	14,332	19,921
Adjusted EBITDA Margin	72%	66%
Add/(deduct):		
Other income	-	-
Foreign exchange gains/(loss)	(2,610)	85
Share-based payments expense – founders ⁽²⁾	(4,518)	(5,154)
Share-based payments – executives ⁽³⁾	(416)	(1,636)
IPO one-off expenses	(2,693)	(3,094)
EBITDA	4,096	10,123
Fair value gain/(loss) and interest expense on hybrid financial instruments ⁽⁴⁾	73,090	(418,884)
Other finance expense	(1,093)	(1,932)
Interest income	-	-
Depreciation	(1,249)	(1,961)
Net profit/(loss) before tax	74,844	(412,654)
Tax expense	(3,136)	(6,221)
Net profit/(loss) after tax	71,708	(418,875)

- 1) Electricity and other site costs includes electricity charges, site employee benefits, repairs and maintenance and site utilities.
- 2) Share-based payments expense includes expenses recorded on Founder options, including (1) Founder price target options (Executive Director Liquidity and Price Target Options) that vested on IPO resulting in A\$1.77m expense recorded during the three months ended 31 December 2021. No further amortization will be recorded in relation to these price target options. (2) Founder long-term options (Executive Director Long-term Target Options) which were granted in September 2021 in connection with the IPO with an expense of A\$4.45m recorded in the 3 months ended 31 December 2021. These long-term options are currently “out of the money” with an exercise price of US\$75 and initial share price vesting conditions of US\$370, US\$650, US\$925 and US\$1,850 for each tranche granted. See note 15 of the 31 December 2021 interim financial statements for further information.
- 3) Share-based payments expense includes expense recorded in relation to incentives issued under the Employee Share Plans, Employee Option Plan and Non-Executive Director Option Plan.
- 4) Includes fair value losses recorded on SAFE and convertible notes that were converted into ordinary shares upon the Group's listing on the NASDAQ. The net fair value losses recorded on these instruments represents the movement in the share price from date of issuance of these instruments to the IPO listing price of US\$28. All of these instruments converted to ordinary shares on 16 November 2021, the associated fair value gains/(losses) are non-cash movements and do not impact the cash position of the Group. See note 5 of the 31 December 2021 interim financial statements for further information.

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Industry and Statistical Data

This presentation includes industry data, statistical data, estimates and other forecasts that may have been obtained from periodic industry publications, third-party studies and surveys, filings of public companies in our industry, internal company surveys, and our review and analysis of market conditions, surveys and industry feedback. Our expectations regarding market and industry data, including expected growth rates, are subject to change based on our ongoing analysis of prevailing market and industry conditions and, as a result, assumptions based on such expectations may not be reliable indicators of future results. We undertake no obligation to update such figures in the future. These sources include government and industry sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry data to be reliable as of the date of this presentation, this information could prove to be inaccurate. Industry data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein. Further, certain financial measures and statistical information in this document have been subject to rounding adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

Bitcoin mining. Done sustainably.

We build, own and operate specialized data centers to mine Bitcoin

We have been using excess renewable energy since 2019

We only enter markets where we can solve a problem

We support local communities

The Four M's

In a sector that can be opaque, there are four key value drivers

Miners

*More computing power
= more Bitcoin mined*

15 EH/s

computing power
secured

~\$870m illustrative mining profit¹

Megawatts

*Computing power requires
low-cost, sustainable energy*

765MW

operating & under
construction

100% renewable operations²

Money

*Capital is required to acquire
Miners and build Megawatts*

>\$500m

capital raised
to date

\$724m market cap³

Management

*Experienced Management
key to unlocking the Four M's*

>\$25bn

energy & infrastructure
projects delivered

Operating since 2019

1. Illustrative annualized run-rate mining profit (revenue less mining pool fees and electricity costs) assuming 15 EH/s is fully installed and operating today based on the Coinwarz Bitcoin Mining Calculator (<https://www.coinwarz.com/mining/bitcoin/calculator>). Assumes, as a placeholder only, as at February 4, 2022, Bitcoin price of \$40k, global hashrate (implied by network difficulty) of ~191 EH/s and transaction fees of ~0.1 BTC per block. Assumes pool fees of 0.5% of mining rewards and mining hardware operates at 100% uptime. These assumptions are likely to be different in the future and users should input their own assumptions. Please see page 17 for further details.

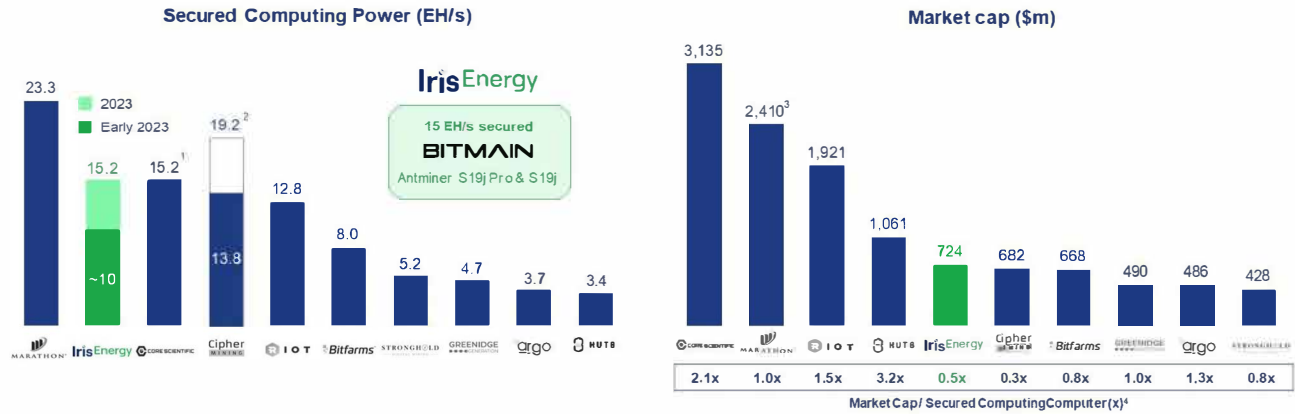
2. Currently 98% directly from renewable energy sources; 2% from purchase of Renewable Energy Certificates (RECs).

3. As at February 4, 2022.

1. Miners

~10 EH/s expected by early 2023

One of the largest listed Bitcoin miners with 15 EH/s secured



Source: FactSet and public company filings. Market data as at February 4, 2022.
¹ Based on self-mining hashrate as disclosed by Core Scientific.
² Based on indicated minimum and maximum mining rig purchases under agreement with Bitfury as disclosed by Cipher.
³ Excludes \$650m convertible senior notes priced in November 2021.
⁴ Market Cap / Secured Computing Power multiple calculated as Market Cap divided by product of Secured Computing Power and 100.

2. Megawatts

~10 EH/s expected by early 2023

765MW of grid-connected power operating or under construction

100% renewable powered operations since inception¹

Site Overview	Megawatts (MW)	Miners (EH/s)	Timing	Status
Canal Flats (BC, Canada)	30	0.8	Complete	Operating
Mackenzie (BC, Canada)	50	1.5	Q2-Q3 2022	Under construction
Prince George (BC, Canada)	50	1.4	Q3 2022	Under construction
	35	1.0	2023	Under construction
Panhandle (Texas, US)	100	3.0	Q4 2022 ²	Under construction
	265	7.5	2023	Under construction
Total (miners secured)	530	15.2		
<i>Panhandle (Texas, US)</i>	235	~7 ³		<i>Potential capacity</i>
<i>Total (potential expansion)</i>	<i>765</i>	<i>~22³</i>		

>1 GW additional growth pipeline beyond announced 765MW across Canada, the USA and Asia-Pacific

¹ Currently 98% directly from renewable energy sources, 2% from purchase of RECs
² Datacenter buildings targeted for completion by end of 2022, energization of data center targeted for Q1 2023
³ Equivalent hashrate potential for the power capacity assuming installation of Bitmain S19 Pro miners

3. Money

>\$500 million raised to date, supported by leading global investors
Institutional-grade IPO – first Bitcoin miner led by bulge bracket banks



1. Indicative estimate assuming \$50k Bitcoin price (reflecting average of broker research assumptions for CY22), ~191 EH/s global hashrate (implied by network difficulty) increasing to ~300 EH/s by December 2023 and reinvestment of operating cash flow.

4. Management

Iris Energy's leadership team has delivered >\$25 billion in energy & infrastructure projects



David Bartholomew

Independent Chair

- 30+ years' experience across energy utilities, transportation and industrials
- Former CEO of DUET Group (sold to CKI for \$6bn in 2017)



Daniel Roberts

Co-Founder and Co-CEO

- 15 years' experience across finance, infrastructure and renewables
- Previously 2nd largest individual shareholder in \$6bn infrastructure fund



Will Roberts

Co-Founder and Co-CEO

- 10 years' experience across resources, commodities & real assets
- Previously Vice President at Macquarie in Commodities & Global Markets



Chris Guzowski

Non-Executive Director

- 10+ years' experience in renewables development across Europe & Australia
- Founded Mithra Energy, developing 10+ solar PV projects in Poland



Mike Alfred

Non-Executive Director

- Previously CEO of Digital Assets Data, Inc. (sold to NYDIG in 2020)
- Board member of Crestone Group, LLC, HOHM, Inc., and Eaglebrook Advisors



Brian Fehr

Strategic Partner

- Awarded the Order of British Columbia in 2018, BC's highest recognition
- 35+ years' experience across construction, fabrication & energy



Brian Fry

Strategic Partner

- Co-founded RackForce in 2001 (became Canada's largest cloud hosting provider)
- Co-founded IP World, a fibre optic network company in 1999



Lindsay Ward

President

- 35+ years' experience across infrastructure, energy & resources
- Previously CEO of Palisade Integrated Management Services



Joanna Brand

General Counsel & Company Secretary

- 25 years' experience in corporate, capital markets, M&A & infrastructure
- Previously General Counsel at ME Bank, Jetstar Airways, Billabong & Epic Energy



David Shaw

Chief Operating Officer

- 30 years' experience across energy, utilities and resources
- Previously SVP Operations Asia-Pacific East at global engineering firm Wood



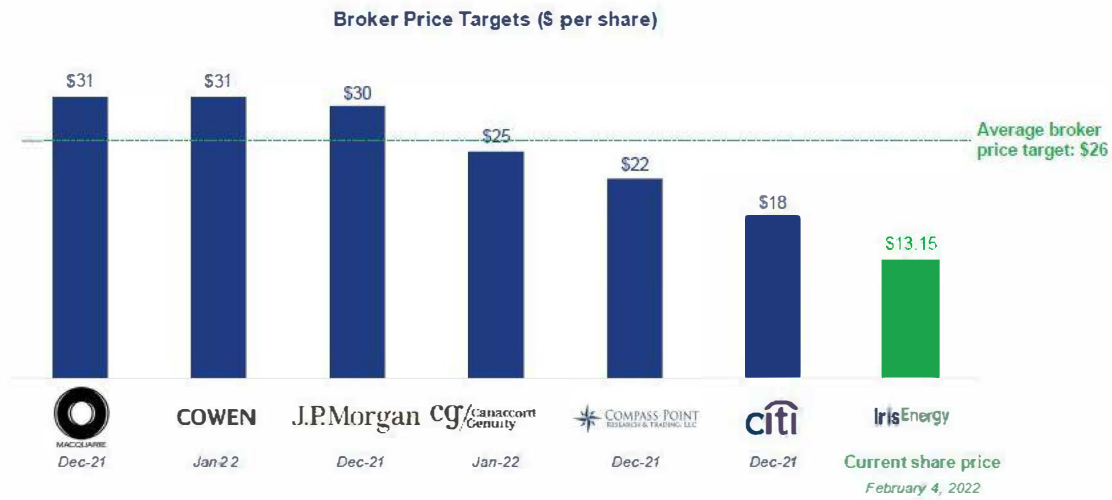
Denis Skrinikoff

Chief Technology Officer

- 15+ years' experience in the cloud & data center service provider space
- Previous data center, M&A and senior leadership experience in listed markets

Current market valuation

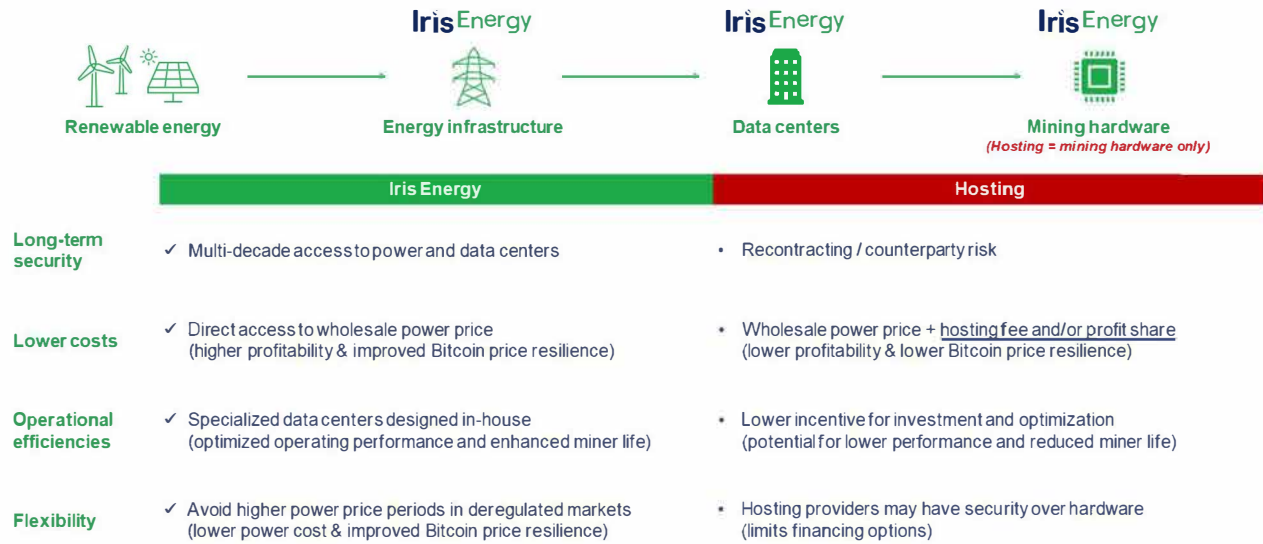
Broker price targets imply a ~37-136% premium to current share price



Additional highlights

IrisEnergy

Why we own our infrastructure (vs. hosting)



We target markets with excess and under-utilized renewables

We not only use 100% renewables, but only enter markets where we can solve a problem

Regulated markets (e.g. British Columbia)

Problem: declining industrial loads may force power prices up

Solution: we can re-introduce load to help keep power prices down



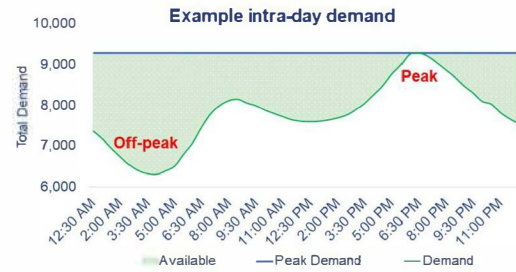
Powersource BC Hydro



Deregulated markets (e.g. Texas)

Problem: renewables intermittency creates grid instability

Solution: we can support the grid by reducing load during peak periods & increasing load during off-peak periods



We support local communities



Ktunaxa First Nations communities



Canal Flats volunteer fire department



Martin Morigeau
Elementary School



Canadian
Red Cross

Local schools and appeals



Local hockey clubs

We are building an institutional grade platform

Strong emphasis on proper governance to create sustainable long-term value for shareholders

Board of Directors

- David Bartholomew (Independent Chair)*
 - Mike Alfred (Non-Executive Director)*
 - Chris Guzowski (Non-Executive Director)*
 - Daniel Roberts (Co-Founder and Co-CEO)
 - Will Roberts (Co-Founder and Co-CEO)
- (*) Independent director

Audit and Risk Committee

- Chris Guzowski (Chair)*
- David Bartholomew (Financial Expert)*
- Mike Alfred*

Corporate Governance Documents

- Corporate Governance Guidelines
- Audit and Risk Committee Charter
- Code of Business Conduct and Ethics

Policies & procedures (selected)

- Risk Management
- Delegated Authority
- Related Person Transaction
- Guidelines for Corporate Disclosure
- Audit and Non-Audit Services Pre-Approval
- Insider Trading
- Complaints

Majority independent Board
>60 years' collective Board experience



HODL considerations

*Today's strategy is to reinvest Bitcoin to fund rapid expansion to 15 EH/s,
building one of the largest listed Bitcoin miners*

Non-HODL	HODL
<p>Rationale</p> <ul style="list-style-type: none"> ✓ Self-funding for rapid growth of computing power ✓ Return on investment today is extremely attractive (>100% cash yields¹) ✓ Reinvest Bitcoin today to generate more Bitcoin tomorrow: <ul style="list-style-type: none"> • 1 Bitcoin held on balance sheet; or • 10 x S19j Pro¹ (1,000 TH/s) = 1 Bitcoin every ~7 months¹ ✓ Future optionality to HODL greater amount of Bitcoin, continue reinvesting or distributions (investors could then self-custody) ✓ Less dilutive than raising equity to finance capex and opex <p>Considerations</p> <ul style="list-style-type: none"> • Optics of no Bitcoin on balance sheet (some investors with higher time preferences may prefer to see Bitcoin today) • Generating greater exposure to Bitcoin via expansion • Lower risk of margin calls on Bitcoin leverage 	<p>Rationale</p> <ul style="list-style-type: none"> ✓ Immediate ownership of Bitcoin today ✓ Potential to borrow against Bitcoin ✓ Investors not required to self-custody ✓ Less complexity for management teams (trading Bitcoin vs. building infrastructure) ✓ 'Locking up' Bitcoin circulating supply <p>Considerations</p> <ul style="list-style-type: none"> • In down markets, double hit to profit and balance sheet • Risk of liquidation / margin calls associated with Bitcoin price volatility. e.g. may require sale of Bitcoin and/or equity at unattractive levels • Reliance on capital markets to continue funding capex and opex • Trust in large corporates and third parties to custody Bitcoin

1. Based on the Company's average purchase price for its secured hardware and current global hashrate (implied by network difficulty) of ~191 EH/s.

Illustrative economics

Illustrative unit economics (annualized run-rate)

	Early 2023	2023
Nameplate hashrate	10 EH/s ^{1,2}	15 EH/s ^{1,2}
Infrastructure capacity	~350MW	~530MW
Net revenue ³	\$695m	\$1,043m
Mining profit ⁴	\$578m	\$870m
Assuming hardware operating today ⁵		

Notes:

- Please see the Coinwarz Bitcoin Mining Calculator (<https://www.coinwarz.com/mining/bitcoin/calculator/>):
 - Inputs for 10 EH/s: 10,000 PH/s (hashrate), 335MW (power consumption) and \$0.04 /kWh (electricity costs) – pre-filled link [here](#)
 - Inputs for 15 EH/s: 15,000 PH/s (hashrate), 495MW (power consumption) and \$0.04 /kWh (electricity costs) – pre-filled link [here](#)
- Illustrative outputs assume, as a placeholder only, as at February 4, 2022, Bitcoin price of \$40k, global hashrate (implied by network difficulty) of ~101 EH/s and transaction fees of ~0.1 BTC per block. Assumes pool fees of 0.5% of mining rewards and mining hardware operates at 100% uptime
- Net revenue = Gross revenue less mining pool fees
- Mining profit = Net revenue less electricity costs
- The illustrative outputs assume nameplate hashrate is fully installed and operating today using the above assumptions. These assumptions are likely to be different in the future and users should input their own assumptions

THE ABOVE INFORMATION IS FOR GENERAL INFORMATION PURPOSES ONLY. THE NET REVENUE AND MINING PROFIT OUTPUTS ARE FOR ILLUSTRATIVE PURPOSES ONLY AND SHOULD NOT BE CONSIDERED FORWARD-LOOKING STATEMENTS AND IRIS ENERGY TAKES NO RESPONSIBILITY FOR ACCURACY OF THIRD PARTY INFORMATION (INCLUDING WEBSITES). NOTE: ONLINE CALCULATOR EXCLUDES ALL OVERHEADS AND FEES (EXCEPT POOL FEES). THE ILLUSTRATIVE NET REVENUE AND MINING PROFIT OUTPUTS ARE BASED ON HISTORICAL INFORMATION WHICH MAY OR MAY NOT MATERIALIZE IN THE FUTURE – AND THERE IS NO GUARANTEE THAT THEY WILL BE ACHIEVED OR THAT MINING HARDWARE WILL OPERATE AT 100% UPTIME. THE ABOVE AND THIS PRESENTATION SHOULD BE READ STRICTLY IN CONJUNCTION WITH THE DISCLAIMER.

Illustrative mining profit sensitivities

Annualized run-rate

		10 EH/s ¹								15 EH/s ²					
		Bitcoin price								Bitcoin price					
		\$20k	\$30k	\$40k	\$50k	\$60k	\$100k			\$20k	\$30k	\$40k	\$50k	\$60k	\$100k
Global hashrate	125 EH/s	414	680	945	1,211	1,477	2,539	Global hashrate	125 EH/s	624	1,022	1,421	1,819	2,218	3,812
	150 EH/s	325	547	768	990	1,211	2,097		150 EH/s	491	823	1,155	1,487	1,819	3,147
	175 EH/s	262	452	642	831	1,021	1,780		175 EH/s	396	680	965	1,250	1,534	2,673
	200 EH/s	215	381	547	713	879	1,543		200 EH/s	325	574	823	1,072	1,321	2,317
	225 EH/s	178	325	473	621	768	1,359		225 EH/s	269	491	712	934	1,155	2,040
	250 EH/s	148	281	414	547	680	1,211		250 EH/s	225	424	624	823	1,022	1,819

Notes:

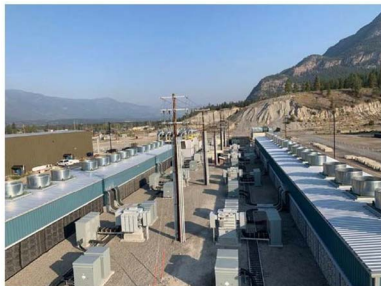
- Inputs for 10 EH/s: 10,000 PH/s (hashrate), 335 MW (power consumption) and \$0.04 /kWh (electricity costs)
- Inputs for 15 EH/s: 15,000 PH/s (hashrate), 485 MW (power consumption) and \$0.04 /kWh (electricity costs)
- Illustrative outputs assume, as a placeholder only as of February 4, 2022, Bitcoin price of \$40k, global hashrate (implied by network difficulty) of ~101 EH/s and transaction fees of ~0.1 BTC per block. Assumes pool fees of 0.5% of mining rewards and mining hardware operates at 100% uptime
- Net revenue = Gross revenue less mining pool fees
- Mining profit = Net revenue less electricity costs
- The illustrative outputs assume nameplate hashrate is fully installed and operating today using the above assumptions. These assumptions are likely to be different in the future and users should input their own assumptions

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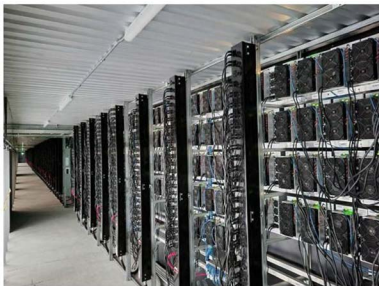
Current sites

IrisEnergy

Site 1: Canal Flats – 0.8 EH/s



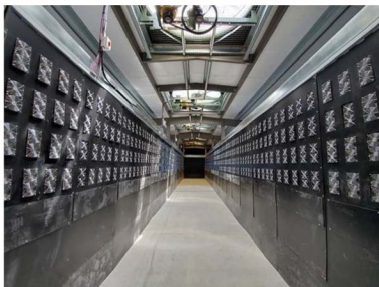
Specialized data centers



Miners operating in our specialized data centers



Data center 5 (incl. cable tray system)



Data center featuring our unique airflow system

Location	BC, Canada
Land	100% owned
Power source	100% renewable ¹
Power capacity	30MW
Miners	0.8 EH/s
Timing	Complete
Status	Operating

¹ Currently 99% directly from renewable energy sources, 2% from purchase of REC's

Site 2: Mackenzie – 1.5 EH/s



Illustrative sitelayout (incl. potential expansion)



First data center structurally complete



Miner racking installation inside first data center

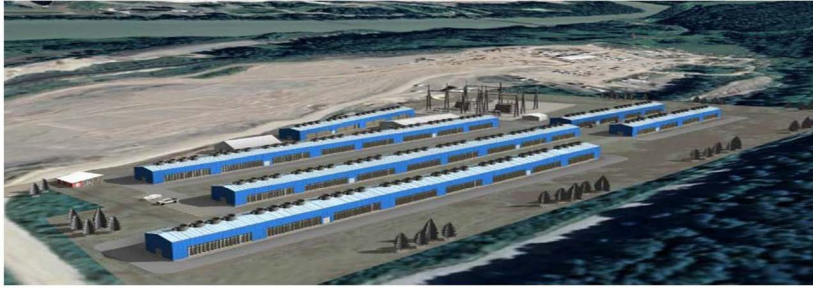


Main power transformer loaded for rail transport

Location	BC, Canada
Land	100% owned
Power source	100% renewable ¹
Power capacity	50MW
Miners	1.5 EH/s
Timing	Q2-Q3 2022
Status	Under construction

¹ Expected to be 98% directly from renewable energy sources, 2% from purchase of RECs.

Site 3: Prince George – 2.4 EH/s



Illustrative site layout



Site grading underway

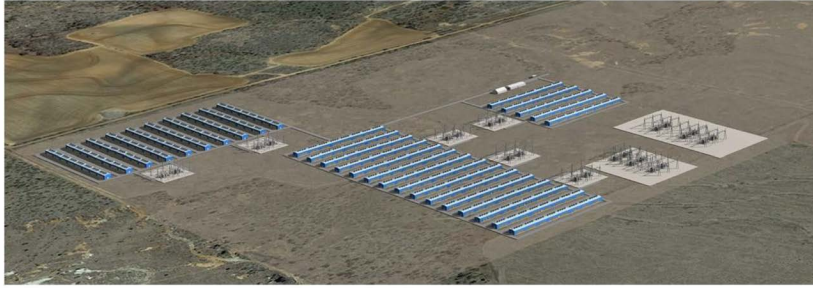


Site grading underway

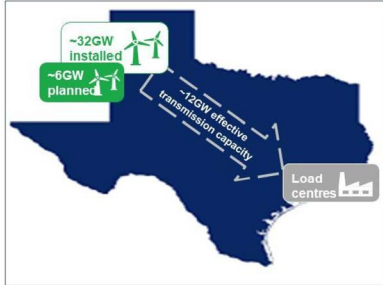
Location	BC, Canada
Land	50 year lease ¹
Power source	100% renewable ²
Power capacity	85MW
Miners	2.4 EH/s
Timing	Q3 2022 / 2023
Status	Under construction

¹ 30 year lease including 2x 10 year extensions plus option to purchase within first 10 years
² Expected to be 98% directly from renewable energy sources, 2% from purchase of RECs

Site 4: Panhandle – 10.5 EH/s + 7 EH/s¹



Illustrative site layout.



Renewables heavy (Panhandle, West Texas)

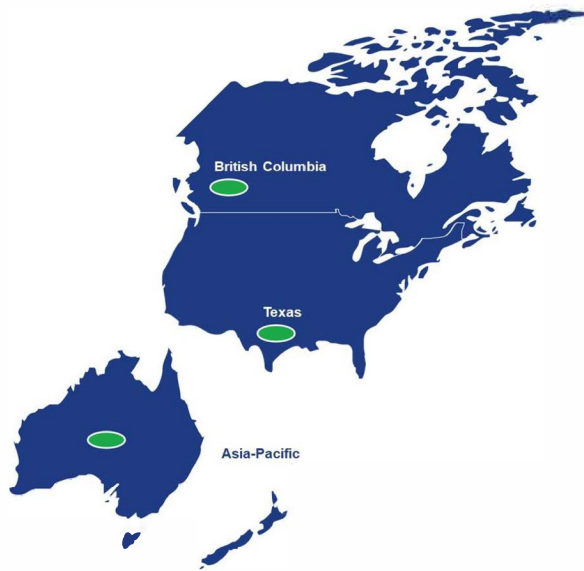
- Significant excess renewable generation
- 32GW of installed capacity (mostly wind & solar), plus 6GW planned
 - ~5GW of load
 - ~12GW effective transmission capacity to load centers in Houston and Dallas

Location	Texas, USA
Land	100% owned
Power source	Renewable (TBC) ²
Power capacity	600MW
Miners	10.5 EH/s + 7 EH/s ¹
Timing	Q4 2022 ³ / 2023
Status	Under construction

¹ Equivalent hashrate potential for the power capacity assuming installation of Bitmain S19j Pro miners.

² Renewable power source and mix to be confirmed closer to the time of commissioning.
³ Data center buildings targeted for completion by end of 2022; energization of data centers targeted for Q1 2023.

Significant development pipeline



765MW

operating and under construction

>1GW

additional growth pipeline

Global diversification

Canada, USA & Asia-Pacific

Grid connected

renewables & long-term access to power

Financial Summary

IrisEnergy

Quarterly results



¹ Adjusted EBITDA is a non-IFRS measure. Please refer to page 27 for reconciliation to the applicable IFRS measure.

Adjusted EBITDA reconciliation

USD'000	Three months ended 31 December 2021	Three months ended 31 December 2020	Six months ended 31 December 2021	Six months ended 31 December 2020
Bitcoin mining revenue	20,017	1,227	30,387	2,092
Electricity and other site costs ⁽¹⁾	(3,041)	(721)	(4,976)	(1,475)
Other corporate costs	(2,643)	(683)	(5,490)	(1,303)
Adjusted EBITDA	14,332	(177)	19,921	(686)
Adjusted EBITDA Margin	72%	(14%)	66%	(33%)
Add/(deduct):				
Other income	-	99	-	557
Foreign exchange gains/(loss)	(2,610)	(641)	85	(486)
Share-based payments expense - Founders ⁽²⁾	(4,518)	(143)	(5,154)	(269)
Share-based payments expense - executives ⁽³⁾	(416)	-	(1,636)	-
IPO one-off expenses	(2,693)	-	(3,094)	-
EBITDA	4,096	(862)	10,123	(884)
Fair value gain/(loss) and interest expense on hybrid financial instruments ⁽⁴⁾	73,090	-	(418,884)	(93)
Other finance expense	(1,093)	(112)	(1,932)	(65)
Interest income	-	1	-	2
Depreciation	(1,249)	(334)	(1,961)	(676)
Net profit/(loss) before tax	74,844	(1,307)	(412,654)	(1,717)
Tax expense	(3,136)	-	(6,221)	-
Net profit/(loss) after tax	71,708	(1,307)	(418,875)	(1,717)

Non-cash. Founders primarily relate to \$75 strike options (\$370 - \$1,850 share price vesting)

Non-cash mark-to-market of convertible notes converted into equity at IPO

1) Electricity and other site costs includes electricity charges, site employee benefits, repairs and maintenance and site utilities.

2) Share-based payments expense includes expense recorded on Founder options, including (1) Founder prior target options (Executive Director Liquidity and Price Target Options) that vested on IPO resulting in A\$1.77m expense recorded during the three months ended 31 December 2021. No further amortization will be recorded in relation to these prior target options. (2) Founder long-term options (Executive Director Long-term Target Options) which were granted in September 2021 in connection with the IPO with an expense of A\$4.45m recorded in the three months ended 31 December 2021. These long-term options are currently "out of the money" with an exercise price of US\$7.75 and initial share price vesting conditions of US\$3.71, US\$4.60, US\$5.925 and US\$1,850 for each tranche granted. See note 15 of the 31 December 2021 interim financial statements for further information.

3) Share-based payments expense includes expense recorded in relation to incentives issued under the Employee Share Plans, Employee Option Plan and Non-Executive Director Option Plan.

4) Includes fair value losses recorded on SAFE and convertible notes that were converted into ordinary shares upon the Group's listing on the NASDAQ. The net fair value losses recorded on these instruments represents the movement in the share price from date of issuance of these instruments to the IPO listing price of US\$28. All of these instruments converted to ordinary shares on 16 November 2021, the associated fair value gains/(losses) are non-cash movements and do not impact the cash position of the Group. See note 5 of the 31 December 2021 interim financial statements for further information.

The Group uses EBITDA and Adjusted EBITDA as a metric that is useful for assessing its operating performance before the impact of non-cash and other items. EBITDA is net profit or (loss) from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization. Adjusted EBITDA is EBITDA adjusted for removing certain non-cash and other items, including share-based payment expenses, foreign currency gains/(losses) and one-time transactions.

The Group presents its financial statements in Australian dollars (A\$). All U.S. dollar balances presented in this presentation have been translated using the noon buying rate of the Federal Reserve Bank of New York on the last working day of each relevant quarter.

Financial performance

USD'000	Three months ended 31 December 2021	Three months ended 31 December 2020	Six months ended 31 December 2021	Six months ended 31 December 2020
Revenue				
Bitcoin mining revenue	20,017	1,227	30,387	2,031
Other income	-	99	-	524
Expenses				
Depreciation and amortization	(1,249)	(333)	(1,961)	(652)
Electricity charges	(2,611)	(574)	(4,198)	(1,137)
Employee benefits expense	(1,298)	(279)	(2,469)	(573)
Share-based payments expense	(4,933)	(143)	(6,789)	(260)
Impairment of assets	-	(366)	(353)	(438)
Loss on disposal of assets	-	-	-	(193)
Professional fees	(2,540)	(72)	(3,572)	(145)
Other expenses	(1,929)	(113)	(2,968)	(194)
Operating profit/(loss)	5,457	(555)	8,077	(1,038)
Finance expense	71,997	(112)	(420,816)	(435)
Interest income	-	2	-	2
Foreign exchange gains/(loss)	(2,610)	(641)	85	(497)
Profit/(loss) before income tax expense	74,844	(1,307)	(412,653)	(1,688)
Income tax expense	(3,136)	-	(6,221)	-
Profit/(loss) after income tax expense	71,708	(1,306)	(418,875)	(1,688)

Non-cash

Primarily non-cash mark-to-market of convertible notes converted into equity at IPO

The Group presents its financial statements in Australian dollars (A\$). All U.S. dollar balances presented in this presentation have been translated using the noon buying rate of the Federal Reserve Bank of New York on the last working day of each relevant quarter.

Financial position

USD'000	31 December 2021	30 June 2021
Assets		
Cash and cash equivalents	255,296	38,990
Other receivables	4,085	794
Prepayments and other assets	7,733	648
Total current assets	267,114	40,432
Property, plant and equipment	54,790	15,952
Right-of-use assets	1,000	1,405
Goodwill	643	660
Deferred tax asset	7,887	912
Mining hardware prepayments	163,746	75,208
Total non-current assets	228,066	94,137
Total assets	495,180	134,569
Liabilities		
Trade and other payables	6,010	1,120
Borrowings	16,208	71,986
Embedded derivatives	0	96,716
Income tax liability	6,717	533
Employee benefits	298	109
Total current liabilities	29,233	170,464
Borrowings	15,785	11,853
Deferred tax liability	3,546	1,618
Total non-current liabilities	19,330	13,471
Total liabilities	48,564	183,935
Equity		
Issued capital	919,778	12,036
Reserves	8,758	1,449
Accumulated losses	(481,920)	(62,852)
Total equity / (deficit)	446,616	(49,366)
Total liabilities and equity	495,180	134,569

Primarily non-cash mark-to-market of convertible notes converted into equity at IPO

The Group presents its financial statements in Australian dollars (A\$). All U.S. dollar balances presented in this presentation have been translated using the noon buying rate of the Federal Reserve Bank of New York on the last working day of each relevant quarter.

IrisEnergy

Thank You
for joining us today





Iris Energy Limited

(Formerly known as Iris Energy Pty Ltd)

Unaudited Interim Consolidated Financial Statements – 31 December 2021

Iris Energy Limited



Contents

31 December 2021

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Iris Energy Limited



Unaudited interim consolidated statement of profit or loss and other comprehensive income

	Note	Three months ended 31 Dec 2021 A\$'000	Three months ended 31 Dec 2020 A\$'000	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
Revenue					
Bitcoin mining revenue		27,571	1,591	41,919	2,714
Other income		-	129	-	722
Expenses					
Depreciation and amortization		(1,720)	(433)	(2,705)	(877)
Electricity charges		(3,596)	(744)	(5,792)	(1,531)
Employee benefits expense		(1,788)	(363)	(3,406)	(772)
Share-based payments expense	15	(6,795)	(186)	(9,363)	(349)
Impairment of assets		-	(475)	(488)	(576)
Loss on disposal of assets		-	-	-	(270)
Professional fees		(3,498)	(94)	(4,926)	(196)
Other expenses	4	(2,657)	(145)	(4,097)	(259)
Operating profit/(loss)		7,517	(720)	11,142	(1,394)
Finance gain/(expense), net	5	99,169	(145)	(582,642)	(205)
Interest income		-	1	-	2
Foreign exchange gain/(loss)		(3,595)	(832)	134	(630)
Profit/(loss) before income tax expense		103,091	(1,696)	(571,366)	(2,227)
Income tax expense	6	(4,320)	-	(8,588)	-
Profit/(loss) after income tax expense for the period		98,771	(1,696)	(579,954)	(2,227)
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		103	(322)	767	(925)
Other comprehensive income/(loss) for the period, net of tax		103	(322)	767	(925)
Total comprehensive income/(loss) for the period		98,874	(2,018)	(579,187)	(3,152)
		Cents	Cents	Cents	Cents
Basic earnings per share	12	267.07	(8.20)	(1,996.37)	(11.00)
Diluted earnings per share	12	(94.64)	(8.20)	(1,996.37)	(11.00)

The above unaudited interim consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Unaudited interim consolidated statement of financial position

	Note	31 Dec 2021 A\$'000	30 June 2021 A\$'000
Assets			
Current assets			
Cash and cash equivalents		351,648	52,015
Other receivables		5,627	1,059
Prepayments and other assets		10,651	864
Total current assets		367,926	53,938
Non-current assets			
Property, plant and equipment	7	75,469	21,281
Right-of-use assets	8	1,377	1,874
Goodwill		885	880
Deferred tax asset		10,864	1,217
Mining hardware prepayments		225,545	100,331
Total non-current assets		314,140	125,583
Total assets		682,066	179,521
Liabilities			
Current liabilities			
Trade and other payables		8,278	1,494
Borrowings	9	22,325	96,033
Embedded derivatives		-	129,024
Income tax liability		9,252	711
Employee benefits		411	145
Total current liabilities		40,266	227,407
Non-current liabilities			
Borrowings	9	21,742	15,812
Deferred tax liability		4,884	2,159
Total non-current liabilities		26,626	17,971
Total liabilities		66,892	245,378
Equity			
Issued capital	10	1,266,912	16,057
Reserves		12,063	1,933
Accumulated losses		(663,801)	(83,847)
Total equity/(deficit)		615,174	(65,857)
Total liabilities and equity		682,066	179,521

The above unaudited interim consolidated statement of financial position should be read in conjunction with the accompanying notes

Unaudited interim consolidated statement of changes in equity

	Issued capital A\$'000	Reserves A\$'000	Accumulated Losses A\$'000	Total equity A\$'000
Balance at 1 July 2020	16,057	19	(3,314)	12,762
Loss after income tax expense for the period	-	-	(2,227)	(2,227)
Other comprehensive loss for the period, net of tax	-	(925)	-	(925)
Total comprehensive loss for the period	-	(925)	(2,227)	(3,152)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 15)	-	349	-	349
Capital raise cost adjustment	36	-	-	36
Balance at 31 December 2020	16,093	(557)	(5,541)	9,995
	Issued capital A\$'000	Reserves A\$'000	Accumulated Losses A\$'000	Total equity/ (deficit) A\$'000
Balance at 1 July 2021	16,057	1,933	(83,847)	(65,857)
Loss after income tax expense for the period	-	-	(579,954)	(579,954)
Other comprehensive income for the period, net of tax	-	767	-	767
Total comprehensive income/(loss) for the period	-	767	(579,954)	(579,187)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of ordinary shares (note 10)	303,692	-	-	303,692
Share-based payments (note 15)	-	9,363	-	9,363
Conversion of hybrid financial instruments (note 10)	946,918	-	-	946,918
Share-based payments, prepaid in advance (note 10)	245	-	-	245
Balance at 31 December 2021	1,266,912	12,063	(663,801)	615,174

The above unaudited interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Iris Energy Limited



Unaudited interim consolidated statements of cash flows

	Note	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
Cash flows from operating activities			
Receipts from Bitcoin mining activities		41,919	2,607
Payments for electricity, suppliers and employees (inclusive of GST)		(27,081)	(2,606)
		14,838	1
Other income received		-	204
Interest paid		(1,840)	(84)
Net cash from operating activities		12,998	121
Cash flows from investing activities			
Payments for property, plant and equipment		(25,638)	(3,304)
Payments for mining hardware prepayments		(131,265)	(8,986)
Proceeds from deposits		-	158
Borrowings repaid relating to business combinations		-	(2,859)
Insurance recoveries relating to property, plant and equipment		-	518
Net cash used in investing activities		(156,903)	(14,473)
Cash flows from financing activities			
Net proceeds from issue of ordinary shares	10	297,475	-
Net proceeds from hybrid financial instruments		145,268	28,876
Proceeds from borrowings		-	2,225
Repayment of borrowings		(1,559)	-
Repayment of lease liabilities		(59)	-
Net cash from financing activities		441,125	31,101
Net increase in cash and cash equivalents		297,220	16,749
Cash and cash equivalents at the beginning of the period		52,015	2,849
Effects of exchange rate changes on cash and cash equivalents		2,413	(26)
Cash and cash equivalents at the end of the period		351,648	19,572

The above unaudited interim consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the unaudited interim consolidated financial statements
31 December 2021**Note 1. General information**

These unaudited interim consolidated financial statements cover Iris Energy Limited as a Group consisting of Iris Energy Limited ('Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the period (collectively the 'Group'). The unaudited interim consolidated financial statements are presented in Australian dollars ('A\$'), which is the Company's functional and presentation currency.

Iris Energy Limited was previously known as Iris Energy Pty Ltd until 7 October 2021, when it converted to an Australian public unlisted company limited by shares. Iris Energy Limited is incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

c/o Pitcher Partners
Level 13, 664 Collins Street
Docklands VIC 3008
Australia

Principal place of business

Level 21, 60 Margaret Street
Sydney NSW 2000
Australia

The Group completed an initial public offering ('IPO') on 17 November 2021 with the Group's ordinary shares listed on Nasdaq under the trading ticker IREN. The IPO was led by lead book-runners J.P. Morgan, Cannaccord Genuity and Citigroup and raised total gross proceeds of US dollar ('US\$') 231.5 million. The Group is a Bitcoin mining company that builds, owns and operates data center and electrical infrastructure powered by abundant and/or under-utilized renewable energy.

The unaudited interim consolidated financial statements were authorized for issue, in accordance with a resolution of Directors, on 10 February 2022. The Directors have the power to amend and reissue the unaudited interim consolidated financial statements.

Note 2. Significant accounting policies

These unaudited interim consolidated financial statements for the periods ended 31 December 2021 have been prepared in accordance with IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2021 ('last annual financial statements'). They do not include all of the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ('IFRS'). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements for the year ended 30 June 2021.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Reverse share split

On November 4, 2021, the Company effected a 1-for-5 reverse share split of its ordinary shares. Unless otherwise indicated, the per ordinary share information has been retroactively adjusted to reflect the 1-for-5 reverse share split.

Notes to the unaudited interim consolidated financial statements
31 December 2021**Note 2. Significant accounting policies (continued)****New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended IFRS and Interpretations as issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group believes that the impact of recently issued standards or amendments to existing standards that are not yet effective will not have a material impact on the Group's unaudited interim consolidated financial statements.

Going concern

The Group has determined there is material uncertainty that may cast doubt on the Group's ability to continue as a going concern but has concluded it is appropriate to prepare the consolidated interim financial statements on a going concern basis which contemplates continuity of normal business activities, the realization of assets and settlement of liabilities in the ordinary course of business and securing additional capital.

Since inception of the Company in November 2018, the Group has raised over A\$670 million including the recent IPO which raised A\$297.5 million, net of underwriting fees.

The ability of the Group to continue as a going concern depends upon the Group maintaining sustained positive free operating cash flows and securing additional capital to fund the contracted mining hardware purchases and infrastructure spend, as part of its growth plan. There are other risks and uncertainties affecting the Group's operations including, but not limited to, the viability of the economics of Bitcoin mining and the ability to execute its business plan.

For the six months ended 31 December 2021, the Group generated positive operating cashflows of A\$13 million (31 December 2020: A\$0.1 million) and had net current assets of A\$327.7 million (30 June 2021: net current liabilities of A\$173.5 million) with net assets of \$615.2 million (30 June 2021: net liabilities of A\$65.9 million). For the six months ended 31 December 2021, the Group incurred a loss after tax of A\$580 million (31 December 2020: A\$2.2 million), this loss included a A\$540.9 million fair value loss on hybrid instruments which converted to equity on 16 November 2021.

As further background, the Group's miners are designed specifically to mine Bitcoin and its future success will depend in a large part upon the value of Bitcoin, and any sustained decline in its value could adversely affect the business and results of operations. Specifically, the revenues from Bitcoin mining operations are predominantly based upon two factors: (i) the number of Bitcoin rewards that are successfully mined and (ii) the value of Bitcoin. A significant decline in the market price of Bitcoin, an increase in the difficulty of Bitcoin mining, changes in the regulatory environment and/or adverse changes in other inherent risks would significantly negatively impact the Group's operations. Due to the volatility of the Bitcoin price and the effects of possible changes in the other aforementioned factors, there can be no guarantee that future mining operations will be profitable.

The strategy to mitigate these risks and uncertainties is to execute a business plan aimed at continued operational efficiency, revenue growth, improving overall mining profit, managing operating and capital expenditure and working capital requirements, and securing additional financing, as needed. The Group is also in a position to wind down its operations (including not acquiring any additional mining hardware and/or incurring the associated infrastructure growth capital expenditure) in the event of unfavourable pricing in Bitcoin. The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due, are therefore dependent upon a number of factors which have been considered in preparing a cash flow forecast over the next 12 months to consider the going concern of the Group and the ability of the Group to achieve its growth plans. The key assumptions include:

- the Bitcoin price remaining at a level higher than prior financial years and a lag in global hashrate, thereby contributing to sustained forecast positive free cash flow; and
- the Group's contracted mining hardware purchases and infrastructure spend will be funded by a combination of available cash (A\$351.7 million as at 31 December 2021), operating cashflow and additional financing. Of the total contracted mining hardware purchases, US\$326.7 million (A\$450 million) is due to be paid before 31 December 2022, with a further US\$172.4 million (A\$237.5 million) due in 2023 giving a total contracted mining hardware purchases of US\$449.1 million (A\$687.5 million) (including estimated shipping and provincial sales tax) as at 31 December 2021.

Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 3. Operating segments

Identification of reportable operating segments

The Group operates primarily within one operating segment, being the operation of building and operating data center sites for the purpose of Bitcoin mining and reports to the Executive Leadership Team, which is made up of the Executive Directors and their Executive Officers (who are identified as the Chief Operating Decision Makers 'CODM') on the performance of the Group as a whole.

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent with those adopted in these unaudited interim consolidated financial statements. The information reported to the CODM is on a monthly basis.

The CODM uses 'EBITDA' and 'Adjusted EBITDA' as a metric that is useful for assessing its operating performance before the impact of non-cash and other items. EBITDA is net profit or (loss) from operations, as reported in profit and loss, before finance income and expense, tax and depreciation and amortization. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

Adjusted EBITDA is EBITDA adjusted for removing certain non-cash and other items, including share-based payment expenses, foreign currency gains/(losses) and one-time transactions.

Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 3. Operating segments (continued)

	Three months ended 31 Dec 2021 A\$'000	Three months ended 31 Dec 2020 A\$'000	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
Bitcoin mining revenue	27,571	1,591	41,919	2,714
Electricity and other site costs ⁽¹⁾	(4,189)	(935)	(6,865)	(1,913)
Other corporate costs	(3,640)	(886)	(7,579)	(1,691)
Adjusted EBITDA	19,742	(230)	27,475	(890)
Add/(deduct):				
Other income	-	129	-	722
Foreign exchange gain/(loss)	(3,595)	(832)	134	(630)
Non-cash share-based payments expense – founders ⁽²⁾	(6,223)	(186)	(7,103)	(349)
Non-cash share-based payments expense – executives ⁽³⁾	(573)	-	(2,261)	-
IPO one-off expenses	(3,709)	-	(4,264)	-
EBITDA	5,642	(1,119)	13,981	(1,147)
Non-cash fair value gain/(loss) and interest expense on hybrid financial instruments ⁽⁴⁾	100,675	-	(579,975)	(121)
Other finance expense	(1,506)	(145)	(2,667)	(84)
Interest income	-	1	-	2
Depreciation	(1,720)	(433)	(2,705)	(877)
Profit/(loss) before income tax expense	103,091	(1,696)	(571,366)	(2,227)
Income tax expense	(4,320)	-	(8,588)	-
Profit/(loss) after income tax expense for the period	98,771	(1,696)	(579,954)	(2,227)

⁽¹⁾ Electricity and other site costs includes electricity charges, site employee benefits, repairs and maintenance and site utilities.

⁽²⁾ Share-based payments expense includes expenses recorded on Founder options, including (1) Founder price target options (Executive Director Liquidity and Price Target Options) that vested on IPO resulting in A\$1.77m expense recorded during the three months ended 31 December 2021. No further amortization will be recorded in relation to these price target options. (2) Founder long-term options (Executive Director Long-term Target Options) which were granted in September 2021 in connection with the IPO with an expense of A\$4.45m recorded in the 3 months ended 31 December 2021. These long-term options are currently “out of the money” with an exercise price of US\$75 and initial share price vesting conditions of US\$370, US\$650, US\$925 and US\$1,850 for each tranche granted. See note 15 of the 31 December 2021 interim financial statements for further information.

⁽³⁾ Share-based payments expense includes expense recorded in relation to incentives issued under the Employee Share Plans, Employee Option Plan and Non-Executive Director Option Plan.

⁽⁴⁾ Includes fair value losses recorded on SAFE, convertible notes and associated embedded derivatives that were converted into ordinary shares upon the Group's listing on the Nasdaq. The net fair value losses recorded on these instruments represents the movement in the share price from date of issuance of these instruments to the IPO listing price of US\$28. All of these instruments converted to ordinary shares on 16 November 2021, the associated fair value gains/(losses) are non-cash movements and do not impact the cash position of the Group. See note 5 of the 31 December 2021 interim financial statements for further information.

Note 4. Other expenses

	Three months ended 31 Dec 2021 A\$'000	Three months ended 31 Dec 2020 A\$'000	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
Insurance	1,344	49	1,520	110
Marketing expenses	90	-	181	-
Short-term office rental	41	21	100	36
Site expenses	195	9	516	24
Donations	59	-	610	-
Filing fees	588	-	588	-
Other expenses	340	66	582	89
Other expenses	2,657	145	4,097	259

During the six months ended 31 December 2021, the Group made a donation of C\$0.5 million (A\$0.5 million) to four indigenous Ktunaxa First Nations communities who are the traditional land owners of our first flagship site at Canal Flats in British Columbia, Canada.

Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 5. Finance (gain)/expense

	Three months ended 31 Dec 2021 A\$'000	Three months ended 31 Dec 2020 A\$'000	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
Interest expense	1,097	24	1,847	84
Interest expense on hybrid financial instruments	18,490	121	37,307	121
Interest expense on lease liabilities	34	-	68	-
Amortization of capitalized borrowing costs	1,667	-	2,478	-
Loss/(gain) on embedded derivatives held at fair value through profit or loss	(120,457)	-	540,942	-
Finance (gain)/expense	(99,169)	145	582,642	205

Note 6. Income tax expense

	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	(571,366)	(2,227)
Tax at the statutory tax rate of 30% (2020: 26%)	(171,410)	(579)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible/non-allowable items	177,140	277
	5,730	(302)
Current year tax losses not recognized	2,502	285
Difference in overseas tax rates	356	17
Income tax expense	8,588	-

	Six months ended 31 Dec 2021 A\$'000	Six months ended 31 Dec 2020 A\$'000
<i>Income tax expense</i>		
Current tax	9,239	-
Deferred tax	(651)	-
Income tax expense	8,588	-

Note 7. Property, plant and equipment

	31 Dec 2021 A\$'000	30 June 2021 A\$'000
<i>Non-current assets</i>		
Land - at cost	1,760	536
Buildings - at cost	11,901	4,689
Less: Accumulated depreciation	(577)	(309)
	11,324	4,380
Plant and equipment - at cost	4,351	3,798
Less: Accumulated depreciation	(338)	(209)
	4,013	3,589
Mining hardware - at cost	40,393	7,275
Less: Accumulated depreciation	(3,855)	(1,577)
Less: Impairment	-	(462)
	36,538	5,236
Assets under construction - at cost	21,834	7,540
	75,469	21,281

Notes to the unaudited interim consolidated financial statements
31 December 2021**Note 7. Property, plant and equipment (continued)***Reconciliations*

Reconciliations of the written down values at the beginning and end of the current period are set out below:

	Land A\$'000	Buildings A\$'000	Plant and equipment A\$'000	Mining hardware A\$'000	Assets under construction A\$'000	Total A\$'000
Balance at 1 July 2021	536	4,380	3,589	5,236	7,540	21,281
Additions	1,230	601	535	33,724	20,730	56,820
Exchange differences	(6)	58	18	(149)	116	37
Transfers in/(out)	-	6,552	-	-	(6,552)	-
Depreciation expense	-	(267)	(129)	(2,273)	-	(2,669)
Balance at 31 December 2021	1,760	11,324	4,013	36,538	21,834	75,469

Note 8. Right-of-use assets

	31 Dec 2021 A\$'000	30 June 2021 A\$'000
<i>Non-current assets</i>		
Land - right-of-use asset	1,411	1,403
Less: Accumulated depreciation	(34)	(10)
	1,377	1,393
Prepaid hosting fees right-of-use asset	595	574
Less: Accumulated depreciation	(107)	(93)
Less: Impairment	(488)	
	-	481
	1,377	1,874

Reconciliations

Reconciliations of the written down values at the beginning and end of the current period are set out below:

	Prepaid hosting fee A\$'000	Land A\$'000	Total A\$'000
Balance at 1 July 2021	481	1,393	1,874
Exchange differences	19	8	27
Impairment of assets	(488)	-	(488)
Depreciation expense	(12)	(24)	(36)
Balance at 31 December 2021	-	1,377	1,377

The prepaid hosting fee right-of-use asset for a facility based in USA has been impaired as the Group is focused on executing its strategy to build, own and operate data centers.

The land right-of-use asset represents a 30-year lease of a site in Prince George, British Columbia, Canada.

Iris Energy Limited



Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 9. Borrowings

	31 Dec 2021 A\$'000	30 June 2021 A\$'000
<i>Current liabilities</i>		
Mining hardware finance	23,811	9,566
Capitalized borrowing costs - mining hardware finance	(1,494)	(1,491)
SAFE	-	4,175
Convertible notes	-	84,995
Capitalized borrowing costs - convertible notes	-	(1,219)
Lease liability	8	7
	22,325	96,033
<i>Non-current liabilities</i>		
Mining hardware finance	21,472	16,278
Capitalized borrowing costs - mining hardware finance	(1,073)	(1,807)
Lease liability	1,343	1,341
	21,742	15,812
	44,067	111,845

Mining hardware finance

The Group has entered into equipment finance and security agreements pursuant to which an equipment financier has agreed to finance the purchase of various mining hardware that have been delivered or yet to be delivered. These facilities carry an annual contractual interest rate of 12% and are denominated in United States dollars. The facilities are repaid through blended monthly payments of interest and principal with the final payment due to the financier on 25 September 2023.

Convertible notes issued on 8 October 2021

The Group issued convertible notes with a total face value of US\$111.5 million (A\$154.7 million) on 8 October 2021. These notes were issued at an interest rate of 12% per annum and converted to ordinary shares at the same time as the existing convertible instruments on 16 November 2021 ahead of the IPO.

SAFE and Convertible notes

All SAFE and convertible note instruments issued by the Group converted to ordinary shares on 16 November 2021 immediately prior to the Company's Nasdaq IPO on 17 November 2021. See note 10 for further details.

Lease liabilities

The Group's lease liability relates to a 30-year lease of a site in Prince George, British Columbia, Canada which was entered into in March 2021.

Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 10. Issued capital

	31 Dec 2021 Shares	30 June 2021 Shares	31 Dec 2021 A\$'000	30 June 2021 A\$'000
Ordinary shares - fully paid and unrestricted	53,028,867	19,828,593	1,266,912	16,057

Movements in ordinary share capital

Details	Date	Shares	A\$'000
Opening balance as at	1 July 2021	19,828,593	16,057
Conversion of hybrid financial instruments	16 November 2021	24,835,118	946,918
Ordinary shares issued (IPO)	17 November 2021	8,269,231	319,865
Share-based payments, prepaid in advance	31 December 2021	95,925	245
IPO capital raise costs, net of tax		-	(16,173)
Closing balance as at	31 December 2021	53,028,867	1,266,912

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorized capital.

Conversion of hybrid financial instruments

On 16 November 2021, immediately prior to the IPO on Nasdaq, all hybrid financial instruments (convertible notes and simple agreement for future equity 'SAFE') converted to equity in accordance with the underlying deeds. 24,835,118 ordinary shares were issued to noteholders on conversion of these instruments resulting in a corresponding increase in issued capital of \$946.9 million (based on a conversion share price fair value of US\$28 (A\$36.13) on 16 November 2021. As at 31 December 2021, there are no outstanding convertible instruments issued by the Group.

Initial Public offering

The Company listed its 55,036,108 ordinary shares on Nasdaq as part of an IPO on 17 November 2021. 8,269,231 ordinary shares were issued as part of this offering at a price of US\$28.00 (A\$38.68). Total proceeds (net of underwriting fees) of A\$297.5 million were raised by the Group as part of this offering.

Share-based payments, prepaid in advance

During the financial year ended 30 June 2020, the Company issued 95,925 restricted share-based payments, prepaid in advance. The restrictions on these shares expired on 31 December 2021 with the corresponding liability converting to equity. As at 31 December 2021, there are no restricted share-based payments, prepaid in advance.

Loan-funded shares

Note there are 2,007,241 restricted ordinary shares issued to management under the Employee Share Plan as well as certain non-employee founders of Podtech Innovation Inc. The total number of ordinary shares outstanding (including the restricted shares) is 55,036,108 as at 31 December 2021.

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous period.

Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 12. Earnings per share

	Three months ended 31 Dec 2021 A\$'000	Three months ended 31 Dec 2020 A\$'000
Profit/(loss) after income tax for the three months ended	98,771	(1,696)
Adjustment for fair value gain on hybrid instruments	(158,181)	-
Adjustment for interest expense on hybrid instruments	12,076	-
Loss after income tax used in calculating diluted earnings per share	(47,334)	(1,696)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	36,983,276	20,671,427
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	3,734,377	-
Convertible notes	9,297,007	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	50,014,660	20,671,427
	Cents	Cents
Basic earnings per share for the three months ended	267.07	(8.20)
Diluted earnings per share for the three months ended	(94.64)	(8.20)
	Six months ended 31 Dec 2021	Six months ended 31 Dec 2020
Profit/(loss) after income tax for the six months ended	(579,954)	(2,227)
Loss after income tax used in calculating diluted earnings per share	(579,954)	(2,227)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	29,050,364	20,250,010
Weighted average number of ordinary shares used in calculating diluted earnings per share	29,050,364	20,250,010
	Cents	Cents
Basic earnings per share for the six months ended	(1,996.37)	(11.00)
Diluted earnings per share for the six months ended	(1,996.37)	(11.00)

For the six months ended 31 December 2021, 4,867,489 restricted shares and options (31 December 2020:1,924,261) have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Notes to the unaudited interim consolidated financial statements
31 December 2021**Note 13. Contingent liabilities**

There were no contingent liabilities as at 31 December 2021 and 30 June 2021.

Note 14. Commitments

As at 31 December 2021, the Group had hardware purchase commitments of A\$687.5 million (includes estimated shipping and provincial sales tax) (30 June 2021: A\$208.9 million) which are payable in installments from January 2022 to October 2023. The committed amounts are payable as set out below:

	31 Dec 2021 A\$'000	30 June 2021 A\$'000
Amounts payable within 12 months of balance date	449,957	197,796
Amounts payable after 12 months of balance date	237,512	11,147
Total commitments	687,469	208,943

Note 15. Share-based payments

The Group has entered into a number of share-based compensation arrangements. Details of these arrangements, which are considered as options for accounting purposes, are described below:

Employee Share Plan

The Group's Employee Share Plan is a loan-funded share scheme. These loan-funded shares generally vest subject to satisfying employment service periods (and in some cases, non-market-based performance milestones). The employment service periods are generally met in three equal tranches on the third, fourth and fifth anniversary of the grant date. Under this scheme, the Company issues a limited recourse loan (that has a maximum term of up to 9 years and 11 months) to employees for the sole purpose of acquiring shares in the Company. Upon disposal of any loan-funded shares by employees, the aggregate purchase price for the shares shall be applied by the Company to pay down the outstanding loan payable. The recourse on the loan is limited to the lower of the initial amount of the loan granted to the employee and the proceeds from the sale of the underlying shares. Employees are entitled to exercise the voting and dividend rights attached to the shares from the date of allocation. If the employee leaves the Company within the vesting period, the shares may be bought back by the Company at the original issue price and the loan is repaid. Loan-funded shares have been treated as options as required under IFRS 2 *Share-based Payments*. Vesting of instruments granted under the Employee Share Plan is dependent on specific service thresholds being met by the employee.

2021 Executive Director Liquidity and Price Target Options

On 20 January 2021, the Group's board approved the grant of 1,000,000 options each to entities controlled by Daniel Roberts and William Roberts (each an Executive Director) to acquire ordinary shares at an exercise price of A\$5.0005 with an expiration date of 20 December 2025. All 'Executive Director Liquidity and Price Target Options' vested on completion of the IPO on 17 November 2021 in accordance with the following vesting thresholds:

- If the liquidity price or volume weighted average market price ('VWAP') of an ordinary share over any consecutive 20 trading day period is equal to or exceeds A\$7.00: 300,000 options vest.
- If the liquidity price or VWAP of an ordinary share over any consecutive 20 trading day period is equal to or exceeds A\$9.00: 300,000 options vest.
- If the liquidity price or VWAP of an ordinary share over any consecutive 20 trading day period is equal to or exceeds A\$11.00: 400,000 options vest.

Note 15. Share-based payments (continued)

The option holder is entitled to receive, in its capacity as a holder of the options, an income distribution per vested option equal to any dividend, distribution, capital return or buyback proceeds (collectively, 'Distribution') paid by the Company per ordinary share as if any vested options were exercised and ordinary shares issued to the option holder at the relevant time of such Distribution. The options are subject to customary adjustments to reflect any reorganization of the Company's capital. As at 31 December 2021, none of the 2,000,000 outstanding vested 'Executive Director Liquidity and Price Target Options' have been exercised.

Employee Option Plan

The Board approved an Employee Option Plan on 28 July 2021. The terms of the Employee Option Plan are substantially similar to the Employee Share Plan, with the main difference being that the incentives are issued in the form of options and loans are not provided to participants. If the employee leaves the Company within the vesting period of the options granted, the Board retains the absolute discretion to cancel any unvested options held by the employee. Vesting of options granted under the Employee Option Plan is dependent on specific service thresholds being met by the employee.

Non-Executive Director Option Plan

The Board approved a Non-Executive Director Option Plan ('NED Option Plan') on 28 July 2021. The terms of the NED Option Plan are substantially similar to the Employee Option Plan. Where an option holder ceases to be a Director of the Company within the vesting period of the options granted, the Board retains the absolute discretion to cancel any unvested options held by the option holder. Vesting of instruments granted under the NED Option Plan is dependent on specific service thresholds being met by the Non-Executive Director.

2021 Executive Director Long-term Target Options

On 18 August 2021, the Group's shareholders approved the grant of 2,400,000 long-term options each to entities controlled by Daniel Roberts and William Roberts to acquire ordinary shares at an exercise price of US\$75 per option ('Long-term Target Options'). These options were granted on 14 September 2021, and have a contractual exercise period of 12 years.

The Long-term Target Options will vest in four tranches following listing of the Company, if the relevant ordinary share price is equal to or exceeds the corresponding vesting threshold and the relevant executive director has not voluntarily resigned as a director of the Company. The vesting thresholds are detailed below:

- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds US\$370: 600,000 Long-term Target Options will vest.
- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds US\$650: 600,000 Long-term Target Options will vest.
- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds US\$925: 600,000 Long-term Target Options will vest.
- If the VWAP of an ordinary share over the immediately preceding 20 trading days is equal to or exceeds US\$1,850: 600,000 Long-term Target Options will vest.

The VWAP vesting thresholds may also be triggered by a sale or takeover of the Company based upon the price per ordinary share received in such transaction.

The option holder is entitled to receive in its capacity as a holder of the options, a distribution paid by the Company per ordinary share as if the vested options were exercised and ordinary shares issued to the option holder at the relevant time of such distribution.

The options are subject to customary adjustments to reflect any reorganization of the Company's capital, as well as adjustments to vesting thresholds including any future issuance of ordinary shares by the Company.

Notes to the unaudited interim consolidated financial statements
31 December 2021

Note 15. Share-based payments (continued)

Reconciliation of outstanding share options

Set out below are summaries of options granted under all plans:

	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021
Outstanding as at 1 July 2021	4,143,412	A\$4.25
Granted during the period	5,118,734	A\$97.05
Forfeited during the period	(205,523)	A\$11.82
Outstanding as at 31 December 2021	9,056,623	A\$56.53
Exercisable as at 31 December 2021	3,351,327	A\$4.13

As at 31 December 2021, the weighted average remaining contractual life of options outstanding is 9.2 years (30 June 2021: 6.8 years).

Valuation methodology

The fair value of instruments issued under the Employee Share Plan, Employee Option Plan and NED Option Plan have been measured using a Black-Scholes-Merton valuation model. The fair value of the Executive Director Liquidity and Price Target Options and 2021 Executive Director Long-term Target Options have been measured using a Monte-Carlo simulation. Service and non-market performance conditions attached to the arrangements were not taken into account when measuring fair value.

The following table list the inputs used in measuring the fair value of arrangements granted during the six months ended 31 December 2021:

Grant date	Dividend yield %	Expected volatility %	Risk free interest rate %	Expected life (weighted average) years	Grant date share price A\$	Exercise Price A\$	Fair value (weighted average) A\$	Number of options granted
Long-term Target Options								
14 Sept 2021	-	90%	1.28%	9.00	47.41	102.18	33.13	4,800,000
Employee Option Plan								
28 July 2021	-	90%	0.15%	7.00	47.35	11.95	42.33	89,541
20 October 2021	-	90%	0.15%	7.00	46.51	48.72	35.42	53,223
NED Option Plan								
28 July 2021	-	90%	0.15%	6.58	47.35	11.95	42.00	161,707
21 October 2021	-	90%	0.15%	7.00	46.44	48.64	35.36	14,266

The share-based payment expense for the three months ended 31 December 2021 was A\$6,795,000 (31 December 2020: A\$186,000).

The share-based payment expense for the six months ended 31 December 2021 was A\$9,363,000 (31 December 2020: A\$349,000).

Notes to the unaudited interim consolidated financial statements
31 December 2021**Note 16. Related party transactions***Significant Transactions with key management personnel*

On or around 18 August 2021, the shareholders of the Company approved the issue of one B Class share each (for consideration of A\$1.00 per B Class share) to entities controlled by Daniel Roberts and William Roberts, respectively. The B Class shares were formally issued on 7 October 2021. Each B Class share confers on the holder fifteen votes for each ordinary share in the Company held by the holder. In addition, a B Class share confers a right for the holder to nominate a director to put forward for election to the Board. Because of the increased voting power of the B Class shares, the holders of the B Class shares collectively could continue to control a significant percentage of the combined voting power of the Company's shares and therefore be able to control all matters submitted to the Company's shareholders for approval until the redemption of the B Class shares by the Company on the earlier of (i) when the holder ceases to be a director due to voluntary retirement; (ii) a transfer of B Class shares in breach of the Constitution; (iii) liquidation or winding up of the Company; or (iv) at any time which is 12 years after the Company's ordinary shares are first listed on a recognized stock exchange. Aside from these governance rights, the B Class shares do not provide the holder with any economic rights (e.g. the B Class shares do not confer on its holder any right to receive dividends). The B Class shares are not transferable by the holder (except in limited circumstances to affiliates of the holder).

Changes in key management personnel

There have been a number of strategic appointments made to key management personnel during the period including:

- Effective 1 September 2021, Joanna Brand commenced her role as the Group General Counsel and was subsequently appointed as the Company Secretary on 17 September 2021.
- Effective 24 September 2021, David Bartholomew was appointed as a Non-Executive Director and Chairman of the Company.
- Effective 11 October 2021, Denis Skrinnikoff commenced his role as Chief Technology Officer.
- Effective 18 October 2021, Lindsay Ward commenced his role as President.
- Effective 21 October 2021, Michael Alfred commenced his role as Non-Executive Director.
- Effective 22 October 2021, David Shaw commenced his role as Chief Operating Officer.
- Effective 24 October 2021, Paul Gordon resigned from his role as Non-Executive Director.

The table below sets out details of options to acquire ordinary shares which were granted to key management personnel during the period. The options vest in three equal tranches on the third, fourth and fifth anniversary of the executive's employment with the Company.

Key management personnel	Grant date	Number of Options	Exercise price (A\$)
David Bartholomew	28 July 2021	42,554	11.95
Paul Gordon	28 July 2021	59,575	11.95
Christopher Guzowski	28 July 2021	59,575	11.95
Joanna Brand	28 July 2021	29,289	11.95
Lindsay Ward	20 October 2021	31,670	48.72
David Shaw	20 October 2021	7,194	48.72
Denis Skrinnikoff	20 October 2021	6,334	48.72
Michael Alfred	21 October 2021	14,266	48.64

Jason Conroy served as the Chief Executive Officer of the Company from 10 May 2021 until 23 September 2021. In connection with his cessation of employment, Mr. Conroy receives (or may receive) (i) salary continuation payments for six months and, if applicable, (ii) a lump sum payment equal to 0.1% of the net proceeds of any initial public offering ('IPO') (converted to Australian dollars) if the IPO is completed on or before 31 December 2021 or 0.07% of the net proceeds of the IPO (converted to Australian dollars) if the IPO is completed after 31 December 2021 but on or before 30 June 2022. Mr. Conroy is subject to customary confidentiality obligations, a non-competition obligation through 30 June 2022 and a one year post-termination non-solicitation of employees and customers covenant.

During the year ended 30 June 2021, 136,171 loan-funded shares were granted to Mr. Conroy under the Employee Share Plan, all of these loan-funded shares lapsed during the period ended 31 December 2021.

Effective 24 October 2021, Paul Gordon resigned from his role as a Non-Executive Director of the Company. Upon his resignation, 41,318 of the 59,975 Options to acquire ordinary shares granted on 28 July 2021 lapsed. The remaining 18,257 Options vested in line with the NED Option Plan.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Iris Energy Limited



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Note 17. Events after the reporting period*Execution of 600 megawatt connection agreement*

On 21 January 2022, the Group announced it had entered into a binding connection agreement with AEP Texas Inc. ("AEP Texas", a subsidiary of AEP) for a new 600MW specialized data center site in the renewables heavy Panhandle region of Texas, USA. The group made an initial payment of US\$19.4 million (A\$27.0 million) to AEP Texas on 21 January 2022 which included a refundable security deposit of US\$15.5 million (A\$21.6 million).

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.